

I am asking my colleagues to join me in a letter to the Commissioner of the IRS. We come here as Democrats and Republicans, but I know there is a strong, bipartisan enthusiasm for the support of baseball. And for the Commission to tolerate somebody saying that a fan who gives the ball back to Mark McGwire could owe a \$150,000 gift tax is outrageous.

The IRS needs to lighten up. The fact that the Tax Code could allow for such a ridiculous thing is one thing. We are going to be tackling the issue of tax reform in Congress. We have done much on the Taxpayer Relief Act. We have made strides. The new Commissioner has talked about making the IRS a consumer-friendly agency, but it is absolutely ridiculous that the IRS would seriously consider imposing a tax on a generous fan who happens to catch the historic ball and return it. Get a life. Surely there are baseball fans among the clever lawyers and accountants at the IRS who can devise reasons why this good deed should go unpunished. My staff and I are available to work with them. I think we can find a way to take care of it.

But if the IRS wants to know what their problems are, they have to look no further than this threat. I have to tell you that if you do not think people are paying attention, our e-mail has been running, our fax machine; the calls are coming in.

Dean Pfeiffer of Lee's Summit said:

What a better issue to use to highlight the need for tax reform. How can anyone defend a tax system that penalizes such a selfless act?

Scot George said:

This tax on this person is as unAmerican as Saddam Hussein. I urge you to act swiftly against the IRS on this matter.

Mr. President, I warn you, there is a revolution brewing. There may not be enough agents to collect a gift tax from somebody who returns the 62nd baseball back to Mark McGwire.

I do have a letter here to Commissioner Rossotti asking him to review this situation and clarify it so that when the fan catches the ball—we know he is going to be surrounded by security. The security is very tight to make sure he is not physically abused. And it is a jungle out there when people are going for the ball. We have security to protect him. We want to keep the IRS agents off of him.

I say to my colleagues, if they wish to join me in signing this letter to the Commissioner to call this serious matter to his attention, I will have it today and it will be available for them to do so. I think that the time has come to say that a fan who catches a historic home run ball and gives it back to the guy who hit it should not be stuck by the IRS.

I thank the Chair and yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER (Mr. SESSIONS). The Senator from Iowa.

Mr. GRASSLEY. First of all, I want to compliment the Senator from Mis-

souri for his comments. He, along with me and Senator KERREY of Nebraska, was very much in the middle of the work of the IRS commission as representatives of the Senate on that commission, and also working with the legislation as members of the Finance Committee to bring about the consumer-friendly IRS that the legislation is supposed to do.

Obviously, I am chagrined that there is still an attitude within the IRS that would be interpreting tax law the way that the Senator from Missouri has described it. I think he has accurately described it, because this morning when I was preparing to come to work I heard on WTOP the very news story to which the Senator from Missouri refers. I could only think in terms of, well, maybe it is a joke. Obviously, it is not a joke.

But I also thought in terms of Mr. Rossotti, the Commissioner of Internal Revenue, had to be hearing that same report as we did. And before he got to the office, I hope that he had made some phone calls to make sure that this erroneous interpretation of law would be corrected, because that is what I would expect from Mr. Rossotti.

To the Senator from Missouri, I will be glad to sign the letter that he has. I would also hope that Mr. Rossotti has this situation taken care of before the letter is received from the Senator from Missouri.

Also, I would expect that the Senator from Missouri expects Mr. Rossotti, who is not a tax attorney and who was hired specifically by the President of the United States because he came from the business world, from an organization and a business that he formulated that was only successful because he was able to satisfy his consumers—he built his organization from a few employees to several thousand employees. He was willing to give this up because he knew that the challenge of making the IRS a more consumer-friendly organization was a legitimate challenge that had to be met, and he was willing to do that.

So I see in Mr. Rossotti a person who is going to get this taken care of very quickly so we do not have to worry that when that 62nd home run is hit by McGwire that there is going to be a tax consequence as a result of hitting the 62nd home run.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. GRASSLEY. I withhold that.

Mr. HARKIN. Mr. President, I wonder if the Senator could yield me some time. I do not know what the situation is on the floor right now.

The PRESIDING OFFICER. Under the previous order, we are to recess at 12:30, and the Senator from Iowa has time on the bankruptcy bill.

Mr. GRASSLEY. Before I yield, I think the thing to do—how much time is left?

The PRESIDING OFFICER. You have until 12:30.

Mr. GRASSLEY. I yield the Senator 5 minutes.

Mr. HARKIN. I thank the Senator for yielding me time.

The PRESIDING OFFICER. The Senator is recognized for 5 minutes.

Mr. HARKIN. Mr. President, I will speak for 5 minutes in morning business.

#### THE FARM CRISIS

Mr. HARKIN. Mr. President, farmers continue to suffer huge losses through absolutely no fault of their own. No other business has less control of the price they can receive for what they produce, the cost of the inputs. Farmers cannot control the weather. They cannot control the world economy. They cannot control what is happening in Asia. But those factors do determine the price of corn, soybeans, wheat, and other commodities. The Freedom to Farm bill passed in 1996 sharply reduced the farmer's safety net to take care of those contingencies over which the farmer has no control.

Now farm prices are crashing to levels not seen in decades. Many farmers are going to have a difficult time acquiring funds needed to pay their bills this year and to get the necessary money to get the fields prepared and to get the seed and the fertilizer to get the crops in the ground for next year.

Many farmers could lose their farms that have been in their families for generations. I recently talked with an older farmer who said, "That's my life's savings. I made it through the eighties. I'm a good manager. I weathered that terrible storm in the eighties. And now this may wipe me out after a lifetime of work."

I am sure the Senator from Alabama knows. He has a lot of farmers in his State. There is the old adage that farmers live poor and die rich. They have all that money in that land. That is their retirement system. They work hard all of their lives. They do not live high on the hog. Then it comes time to retire. That is their equity. And now that is being severely eroded, not to mention the young farmers who have gotten started, carrying a debtload who will be really forced out of agriculture, never to return.

Well, it is already having a terrible ripple effect, not only on farms but in small towns and communities all over America. Layoffs are starting to occur at agricultural equipment manufacturing companies and in stores. I think we are just beginning to see the stages of what could become a very severe downturn in rural America.

Last week, a number of Senators and I proposed a series of modifications in ag programs to help alleviate the problem. But I take the floor this morning to say that I believe Congress should also pass a provision broadening existing tax law that will allow farmers to recover taxes paid in the past to cover their net operating losses right now.

Mr. President, under existing law, businesses, including farmers, can be

reimbursed for their business losses by receiving a rebate for taxes paid in the prior 2 years—or 3 years in cases in which there is a natural disaster. Well, we are facing a large economic disaster that can really sink us in rural America.

What I am proposing—and I will be shortly introducing a bill to do so—I propose that family farmers be allowed the option to get a rebate from the taxes that they paid over the past 10 years, covering up to \$200,000 in operating losses rather than the 2 years that is allowed under current law.

Many farmers cannot receive a rebate for their operating losses because they were not able to make any taxable profits in the last couple of years. By being able to go back 10 years, we will allow these farmers to be able to get a rebate next year and then limit it to \$200,000 so it would be available to all family farms, up to a limit of \$200,000 in net operating losses.

The benefit would only go to farmers whose families are actively engaged in farming and whose business activity is mostly farming. The amount of the rebate would be dependent on the amount of the loss and the tax rate paid by farmers for the paid taxes that are being restored.

The provision I am proposing would cover losses occurring in both 1998 or 1999.

If passed this year, farmers would be able to calculate their losses early next year and receive a rebate from the IRS for the taxes paid in earlier years very soon thereafter. This proposal would provide a significant amount of relief when it is needed early next year. It would help many farmers acquire the funds they need, as I said, to get the fields prepared and get the feed and fertilizer and bills paid so they can continue on next year.

I might add that there is some precedent for this. There was a case in 1997 where Amtrak was allowed to use net operating losses of their predecessor railroads going back over 20 years in the past. So there is precedent for this. If we can do it for Amtrak, I think certainly we ought to be able to do it for our family farmers. I am hopeful at some point this fall either under a tax bill, if we are going to have one, or under some other vehicle, that we can at least put this provision in.

I know my colleague from Iowa has another provision that would allow farmers to invest some of their profits for up to 5 years without being taxed until the money is used in poorer years, which is a great provision, one I also hope gets through.

Right now, the farmers are facing the fact that they don't have any money. I think maybe the two coupled together will get them some funds. If they went ahead and invested and used a provision of my colleague from Iowa, we might have a situation to help get some of the farmers through the next couple of years.

I just wanted to bring that to the attention of Senators. I hope to be intro-

ducing that very shortly. Again, I don't mean to belabor it, but we are seeing really bad times out there. I used these charts last week. I will use them again in case other Senators may be watching that didn't watch last week. Since July 16, wheat, corn, and soybeans are all down—I used central Illinois only as a measuring point—21 percent decline in the past 6 weeks in corn, 21 percent decline in soybeans in the last 6 weeks, and a 13 percent decline in the past 6 weeks in hard red winter wheat in Kansas City. We see no signs this will be alleviated any time soon. It looks like we will have a record crop of soybeans this year, a record crop, and probably the second or third largest corn crop we have ever had. So this will be hanging over the marketplace. We need to do everything we can.

Again, I hope that we will have some provisions very soon that will remove the caps on the loan rates and even provide emergency provisions for the Secretary to be able to pay storage payments to farmers, to store some of that grain so that they don't have to dump it this fall. They can keep it until next year. Maybe the Asian economy will come back; maybe there won't be very good weather next year, whatever; maybe the prices will come back next year. Let the farmer have the freedom to market that grain at some point down the line rather than just dumping it on the market this year.

There are other provisions that we will be talking about, but I think those are the major ones that will help get us through a very, very difficult year in agriculture and all over the world.

I thank my colleague for yielding me the time.

#### RECESS UNTIL 2:15

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until the hour of 2:15 p.m.

Thereupon, the Senate, at 12:32 p.m., recessed until 2:16 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. COATS].

Mr. GORTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### RECOGNITION OF THE DISTINGUISHED SERVICE OF ANGELA RAISH

Mr. DOMENICI. Mr. President, this has been cleared on both sides. I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 272, which was submit-

ted to the Senate earlier by the leader in my behalf.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 272) recognizing the distinguished service of Angela Raish.

There being no objection, the Senate proceeded to consider the resolution.

Mr. DOMENICI. I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution was agreed to.

The preamble was agreed to.

The resolution (S. Res. 272) with its preamble reads as follows:

#### S. RES. 272

Whereas Angela Raish retired from the United States Senate on July 31, 1998, after more than twenty-one years of distinguished service to the United States Senate, Senator Pete V. Domenici, and the people of New Mexico;

Whereas Angela combined exceptional professional and organizational skills, untiring initiative, and unlimited compassion to accomplish both major, and simply thoughtful, tasks for the Senator and his constituents;

Whereas Angela has always generously given of herself out of a genuine love and concern for others, without hesitation or expectation of reward;

Whereas Angela has had an impressive career beginning during World War II in the Navy Department, office of Admiral S.C. Hooper where she developed the professional and personal skills that she refined into her trademark standard of excellence;

Whereas in 1968, Angela worked for President Richard M. Nixon's Inaugural Committee and in 1972, she served as the Assistant to the Chairman, and received the gavel used to convene the Republican National Convention as a token of appreciation for a job well done from Gerald R. Ford, the Republican National Committee and Republican Convention Chairman;

Whereas Angela's endearing attitude and hard work earned the respect and admiration of Anne Armstrong and the staff at the White House in 1974 and 1975;

Whereas Angela has always balanced her public service with her private life and has been married to the self-described "luckiest man in the Navy," Bob Raish, since February 8, 1947;

Whereas, her colleagues always know they have a devoted friend and confidant;

Whereas Angela is known for her love of Italy, her pride in her ancestral home in Camogli, and her affection for Lake Maggiore;

Whereas Angela is "una donna eccezionale," (an exceptional woman); the Senator's vero "braccio destro" (his right hand helper), and "La Signora Aggiestutto per gli elettori" (Mrs. Fix-it for constituents);

Whereas Angela is a gracious hostess and accomplished cook who is going to pursue new culinary challenges in her retirement; and

Whereas all those whose lives are richer for having known Angela Raish will miss her deeply and send her warm wishes on her well-deserved retirement: Now, therefore, be it

*Resolved*, That it is the sense of the Senate that—